

**COMMONWEALTH OF KENTUCKY  
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET  
OFFICE OF FINANCIAL INSTITUTIONS  
AGENCY CASE NO. 2005-AH- 005**

IN THE MATTER OF:  
ABC MORTGAGE COMPANY OF NORTHWEST FLORIDA

**SETTLEMENT AGREEMENT**

**BACKGROUND AND FACTUAL FINDINGS**

1. The ABC Mortgage Company of Northwest Florida ("ABC") is licensed by the Office of Financial Institutions ("OFI") to conduct the business of a mortgage loan broker at 122 North Main Street, Trenton, Kentucky, under mortgage loan broker license number 8135.

2. On February 17, 2005, an examination was conducted into the condition, workings and affairs of ABC in order to determine whether there were any violations of law or any unauthorized unsafe practices or any failure to keep or have correct any required books and records.

3. In the course of the examination it was discovered that ABC had six individuals in its office originating mortgage loans on Kentucky properties who were not registered with OFI and who were being paid as independent contractors.

4. As of July 1, 2004, no mortgage loan broker and no loan officer may originate mortgage loans in Kentucky unless they are registered with OFI and have been issued a certificate of registration.

5. As of June 24, 2003, anyone performing the services of a mortgage loan

originator must be an employee (W-2) of a licensed broker or must have his or her own mortgage broker license.

6. ABC's employment of unregistered mortgage loan originators was a violation of KRS 294.255(1).

7. ABC's use of loan originators as independent contractors was a violation of KRS 294.030(1)(a) which makes it unlawful for any person to transact business in the state if he is not licensed and registered unless that person is exempt.

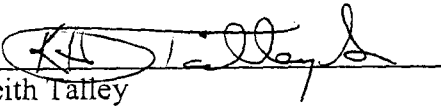
#### **AGREEMENT AND ORDER**

The Office of Financial Institutions and ABC in the interest of economically and efficiently resolving the issues raised in the foregoing Background and Factual Findings agree as follows:

1. ABC agrees to pay a fine in the amount of three thousand (\$3,000) dollars, which is due on May 6, 2005.

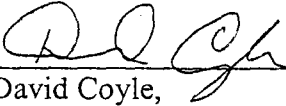
2. The fine shall be made payable to "Kentucky State Treasurer" and mailed to the Office of Financial Institutions, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

**IT IS SO ORDERED** on this the 28<sup>th</sup> day of April, 2005.

  
Keith Talley  
Acting Executive Director

Consented to:

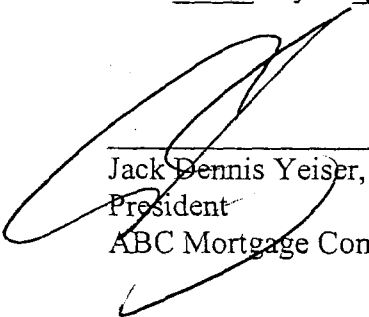
This 14<sup>th</sup> day of April, 2005



David Coyle,  
Director  
Division of Financial Institutions  
Office of Financial Institutions

Consented to:

This 21 day of April, 2005



Jack Dennis Yeiser, III,  
President

ABC Mortgage Company of Northwest Florida